

City of San José New Garbage and Recycling Billing Model Frequently Asked Questions

Why is the City's garbage and recycling billing system changing from bi-monthly to bi-annual billing with the new method of including it as part of your property tax bill?

The City of San José is changing the garbage billing system to minimize expenses to ratepayers, control costs, and have a more efficient and easier-to-use bill payment process for customers. When evaluating the existing billing system, the City identified an immediate need for software improvements that would also require upgrades every five years. By changing the billing model now, the City will save an estimated \$3.2 million per year.

To gather public feedback about the change, the city conducted an online survey in the spring of 2013 and encouraged all affected ratepayers in the City to participate through messages on the bill and other outreach. The survey yielded positive responses from residents about the change of billing cycles from six times per year to twice per year. Approximately 50 percent of all survey respondents indicated that they were either strongly or somewhat in favor of the new billing concept and nearly two-thirds said the change would not create a financial hardship.

Will this affect the cost of garbage collection for residents?

No, current garbage rates will remain the same at about \$360 per year. Residents will begin paying these bills twice a year at \$180, instead of the previous system of six payments a year at \$60. By changing the billing model now and saving the \$3.2 million that would have occurred with the required software upgrade, customers save an annual increase of \$14.40 a year.

What about residents who live in apartments, condominiums, and mobile home parks?

Billing for apartment, condominium property managers, and mobile home parks will be unchanged. The exception to this will be residents who live in a town home or condominium with cart service (as opposed to dumpsters). These residents will begin to pay for their garbage service through the new billing model just as other single family households. With the variability and size of multi-family and mobile home parks, City staff has concluded that these households cannot be as easily billed because of

possible cash flow issues and the high frequency of service level changes and tenant moves.

Are other city services billed through this billing model?

Yes, San José homeowners have been paying for stormwater and sanitary sewer service on their property taxes for decades. Adding the garbage and recycling costs to the property tax bill will align with how the City collects for these other property-based utility services.

Why is the city doing away with the 20-gallon cart option?

The creation of the 20-gallon cart option initially began as a way to encourage residents to throw less away, and recycle more. However the City has determined that this service has not significantly decreased the amount of solid waste being collected. Currently only 3.5 percent of San José residents subscribe to the 20-gallon cart service. To create the 20-gallon size option, an insert is placed inside the 32-gallon cart. It has been found that these inserts are damaged easily, and the cart manufacturers may be phasing out production of the insert, creating difficulties for haulers to obtain additional inserts in the future. Since residents with a 20-gallon cart have a 32-gallon with insert, replacing 20-gallon with 32-gallon service will not increase the size of the garbage cart at your property and will have no impact on any space constraints. The monthly difference between the 20-gallon cart and 32-gallon rate is \$1.72; the avoided increased costs with the new billing model will offset most of this amount.

When will this change take effect?

Expect to receive your last bi-monthly garbage bill from the City in May/June of 2015. All subsequent bills will be included on your property tax bill.

How will residents be notified of future rate changes?

The billing model change will have no effect on rate changes notifications. Any rate changes would continue to require approval from Council. Following any approved rate changes, required outreach would include notices mailed to all property owners.

Will the new billing model change how non-payments are handled?

Yes, with the current in-house billing system, if a garbage bill is delinquent, the City may place a lien on the property for the delinquent amount plus additional administrative fees. This lien process is staff intensive and costly. By switching to billing for garbage through the property tax, the City will no longer place liens on properties for delinquent

payments. The current process for delinquent Santa Clara County tax payments will remain unchanged.

How will the new billing and service concerns be addressed?

Currently residents contact the City with any service or billing concerns through the City of San José Customer Contact Center at (408) 535-3500 or email at customerservice@sanjoseca.gov. City staff will continue to address billing issues and process customer requests for changes to their service.

In July 2015, customers who request a larger garbage cart or subscribe to additional services during the year would receive a supplemental bill from the City, while customers who downsize to a smaller garbage cart or unsubscribe from premium services during the year could receive a partial refund from the City.

Beginning July 2015, residents can contact their Recycle Plus hauler directly (Garden City Sanitation or GreenTeam of San Jose, depending on where you live) with any service related concerns, and continue to contact the City regarding billing concerns.

If you have any further questions about the change to property tax billing, please email your question or feedback to: recycleplus@sanjoseca.gov.